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## **Environmental and Consumer Groups Oppose Gas Rate Increase**

**AUSTIN, TX-** Nine local or state environmental and consumer groups have called in unison for the Austin City Council to reject a record 22% rate increase for Texas Gas Service set to be voted on at this Thursday's Council meeting. This increase will cause economic stress while the region and country are in a tailspin recession. These groups are collectively asking for long-term reforms that will create lower rates, assist low-income ratepayers, and encourage energy conservation and renewable energy.

The signers included representatives of:

- The Austin Tenants Council;
- Clean Water Action;
- Public Citizen of Texas;
- Local and state chapters of the Sierra Club;
- Solar Austin;
- Texas Campaign for the Environment;
- Climate Action Now;
- 350-Austin

"The Sierra Club is opposed to this proposed gas rate hike," **said Cyrus Reed, Conservation Director of Sierra Club's Lone Star Chapter.** "The proposal would impact Austin ratepayers without encouraging them to conserve their gas use, would not protect limited-income Austinites and would not work toward a day when we could look at alternatives to fracked gas."

[In a letter sent to the Austin Council](#), advocates asked for more than a rejection of unjustified rate increases during a time of high unemployment. They requested the following actions.

1. **Increase Low-Income Assistance** – This year, City of Austin will provide about \$62 million in low-income assistance and rate relief. In 2019, Texas Gas Service provided only \$78,000 to indigent ratepayers, and 40% of this came from charity. Advocates are asking Council for \$500,000, in addition to charitable contributions.
2. **Restructure Residential Rates** – Texas Gas Service has regressive Residential rates: the more you use the less you pay per unit. Austin electric and water utilities do the opposite. Their progressive rates charge less to customers who use less. This encourages conservation, and helps lower-income customers who generally use less because they have less disposable income.

3. **Fund Renewable Energy Research** – Austin Energy plans to be carbon-free by 2035. Texas Gas Service has no plans at all to adopt renewable energy. Advocates ask that a surcharge be levied to fund research of technologies that replace fossil fuels.
4. **Charge Full Capital Recovery Fees** – Austin Energy and Austin Water both require full compensation from developers and builders for new hook-ups. Existing customers do not subsidize new customers. This has led to rate decreases. The gas company, however, spent almost \$90 million on new customers in the last 4 years, and most of it is being paid by existing ratepayers.

“This jaw-dropping 22% rate increase is being made at a time when other Austin utilities are lowering their rates to help customers survive the pandemic recession,” **complained Paul Robbins, an advocate working on energy issues for decades.** “Austin electric and water utilities will provide about \$26 million in low-income customer assistance this year, and another \$35 million in general rate relief. Texas Gas Service wants to raise Residential rates almost \$16-17 million, yet the company has no substantial assistance program to help the poor.”

“The Texas Gas rate structure needs to be changed to encourage and reward energy conservation,” **said Kaiba White of Public Citizen.** “Austin is making great progress in transitioning to renewable energy for electricity production, but there’s no real strategy to reduce the use of methane gas use in buildings. Given the devastating impact of methane on the climate, this needs to be a priority.”